

Human Resource Management System Project (HRMS)

Department of Personnel (DOP)

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Presenters

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Purpose of Appearance

DOP will request approval of the amended investment plan; specifically, an increased project budget and modified schedule resulting from the Pay Raise Deferment legislation. DOP will also review the status of the project.

Project Status

DOP has completed all re-planning efforts associated with the postponed Go Live decision of December 2004 and the Pay Raise Deferment legislation (split timing for pay raises for represented and non-represented state employees). The re-planning has resulted in new Release 1 Go Live dates of April 2006 for Group 1 and July 2006 for Group 2. All open design issues have been closed; corresponding change orders have been developed.

Variances

- Schedule: The original HRMS Release 1 Group 1 and Group 2 Go Live dates were January and April 2005, respectively. The re-planning effort has resulted in the following Go Live dates:
 - Release 1/Group 1: April 2006
 - Release 1/Group 2: July 2006
- In addition, the new plan calls for the Department of Personnel to implement the system for their Go Live use in February of 2006.
- This schedule takes into account changes to SAP resulting from the Pay Raise Deferment legislation and a 4-month delay in testing resulting from DOP reallocating project resources to modify the state's legacy payroll system for the Pay Raise Deferment legislation.
- Budget/Cost: The revised \$67 million HRMS project budget is \$18.9 million over the original budget. Of that variance, \$11 million is for the 19 change requests resulting from the December 2004 postponement, and \$7.9 million is to cover the cost of the Pay Raise Deferment. The budget through May 2005 shows actuals/accruals totaling \$33,315,142. The largest cost variances continue to be in State Project Team and Implementation Services categories.
- Scope: DOP has determined an approach to each of the 56 open design issues. DOP activities continue along two parallel tracks. The first track includes the changes to the legacy system, PAY1, required to support new payroll rules that go into effect July 1, 2005 as well as supporting the Pay Raise Deferment in the legacy payroll system, PAY1. The second track focuses on all tasks necessary to achieve

the new Go Live dates for the HRMS system. All open design issues have been resolved.

Issues

1. The budget does not include the funds to cover the costs associated with the Pay Raise Deferment changes to PAY1 and the associated delay in the project.
2. Although DOP has made various attempts to mitigate this issue, the state's subject matter experts continue to be a scarce resource required by most, if not all, of the project teams. Several exceed 100% utilization in the resource plan. A few instances of over-commitment of key state project personnel remain. DOP continues efforts to secure additional resources, adjust the schedule, and adjust the workload to mitigate this variance. DOP expects to resolve these issues in the new version of the workplan to be published mid-June.

Staff Recommendations to the Board

Approve the amended investment plan as follows:

1. Additional \$7.9 million increase for Release 1 implementation
2. Group 1 implementation date of April 2006 and a Group 2 implementation date of July 2006

Previous Agency Appearances Before the Board

May 12, 2005: The Board approved DOP's request to increase the project budget by \$11 million to cover the change requests resulting from the re-planning efforts. The Board instructed DOP to provide the following information prior to the July meeting:

- A status report of all Quality Assurance work and recommendations
- A revised project plan
- Copies of all change requests
- A report on the overall project and any variances to schedule, budget, and scope